

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	USA
Factory name	07008286C
IEM	ALGI
Date(s) in facility	9/20/2004
PC(s)	Nike, Inc.
Number of workers	22
Product(s)	Golf bags
Production processes	Sewing, assembling, shipping

Findings											Remediation				
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation					
1. Code Awareness															
Worker/management awareness of Code		FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis	Workers interviewed were unaware of Code of Conduct, despite postings in prominent locations	Employee interviews		Per Nike's CLS (Code Leadership Standards), contractor must provide on a periodic basis, training on the Nike Code of Conduct. Training must be documented and supporting documentation provided.	1-Dec-04		12/2/04 - Factory management conducted code of conduct training on 11/19/04 - training log with employee signatures will be faxed to PC.	On file with PC. Signature log for training - topics covered were Nike Code of Conduct, Safety, and New Employee Handbook.					
2.Forced Labor															
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise															
3. Child Labor															
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.															
4. Harassment or Abuse															
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.					Employer has excellent policies in place										
Other	US and CA state law: U.S. Constitution 4th Amendment.		Handbook contains reference to employer having the right to search employees private vehicle for contraband	Management interview		Handbook needs to be updated to delete reference to employer having the right to search employees private vehicle for contraband - (Copy of updated Handbook to be provided to Nike)	1-Dec-04		12/3/04 - Handbook has been modified to delete statement referring to the search of employees' private vehicle on 11/30/04 but not yet verified by PC. Factory to forward electronic version of Handbook for PC to verify	2/21/04 - Received updated Employee Handbook (see page 8). On file with PC.					
5. Nondiscrimination															
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.															
6. Health and Safety															
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities															
Fire Safety Health and Safety legal compliance		Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits			Quarterly fire drills, weekly safety meetings										

Findings						Remediation				
FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	First aid kits contain expired materials	Visual observation		First Aid Kits need to be replenished with unexpired materials and maintained on a regular basis.	1-Dec-04		12/3/04 Factory has completed this task on 10/15/04 - Photo to be provided to PC for verification	PC received photos to verify first aid kits are replenished. On file with PC.
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees			Weekly safety meetings					
Other	OSHA 29CFR1910		Permanent shelving needs to be secured to wall or floor	Visual observation		Permanent shelving needs to be secured to wall or floor per OSHA 29CFR1910	1-Dec-04		12/3/04 Factory has completed this task on 10/30/04 - Photo to be provided to PC for verification	PC received photos to verify shelving is secured to wall. On file with PC.
7. Freedom of Association and Collective Bargaining										
Employers will recognize and respect the right of employees to freedom of association and collective bargaining										
8. Wages and Benefits										
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits										
Wage Benefits Awareness		Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law	Handbook does not accurately reflect frequency of payroll, stating payroll is weekly when it is bi-weekly.	Handbook, management interview		Handbook needs to be modified to indicate bi-weekly wages; it currently states payroll is weekly	1-Dec-04		12/3/04 - Handbook has been updated on 11/30/04. Factory to forward electronic version of Handbook for PC to verify.	Received updated Employee Handbook (see page 12). On file with PC.
Time-recording system	United States Fair Labor Standards Act Section 13(a)(1) as defined by Code of Federal Regulations 29 CFR Part 541	Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Some employees are erroneously classified as exempt due to recent changes in federal law. These employees do not record daily and weekly hours worked.	Time cards, management interview		Factory must check if the exempt status of employees is in accordance with recent changes in the Federal Law. If employee(s) are reclassified, they should record daily and weekly hours worked. Non-exempt employees should be paid on an hourly basis and any overtime worked should be paid at 1.5 times the normal wage rate.	1-Dec-04		12/3/04 - Pending factory management's review of the law. PC requested supporting documentation for re-classified employee(s) if any, and record keeping of hours. 12/21/04-Factory identified one employee that was classified incorrectly and has since re-classified as non-exempt. Even though this employee was classified incorrectly, s/he was paid for any overtime worked since his/her hire date.	Copies of timecards and payroll documents on file with PC to verify the employee is properly classified, recording time, and is receiving overtime.

Findings						Remediation				
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Monitor's Findings	Documentation (If finding was corroborated/verified through multiple sources, list all sources)	Best Practice	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Workers clock in up to 1/2 hour prior to start of shift. Employer denies employees work before the start of their shift	Time cards, employee interviews, management interview		Workers clock in when they arrive to the factory, but are not starting work. Rather they are talking with each other and eating breakfast. Factory needs to implement a Clock-in/Clock-out policy, maximum of a 10 minutes rounding, that would stop the practice of workers clocking in before their start time. Recommendations: 1) Policy should be included in Handbook 2) Factory to place a sign above the clock-in device that informs workers of the policy to not clock-in more than 10 minutes prior to their scheduled time. 3) Copy of updated Handbook to be provided to PC for review.	1-Dec-04		12/3/04 - Factory management will forward an electronic version of Handbook for PC to review.	Received updated Employee Handbook (see page 7) & photo of signage above time-clock. On file with PC.
9. Hours of Work										
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period										
10. Overtime Compensation										
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.										
Other	United States Fair Labor Standards Act Section 13(a)(1) as defined by Code of Federal Regulations 29 CFR Part 541		Some employees incorrectly classified as non exempt employees due to recent changes in federal law. They need to be paid overtime wages when required.	Management interview, time cards, payroll records		Factory must verify if the exempt status of employees is in accordance with recent changes in the Federal Law. If an employee is reclassified, the factory must pay any overtime wages due. If no overtime was worked, factory should have employee(s) provide a statement that they did not work overtime and provide copy of statement to PC.	1-Dec-04		12/3/04 - Pending factory management's review of the law. PC requested supporting documentation for re-classified employee(s) if any, and record keeping of hours. 12/21/04-Factory identified one employee that was classified incorrectly and has since re-classified as non-exempt. Even though this employee was classified incorrectly, s/he was paid for any overtime worked since his/her hire date.	Copies of timecards and payroll documents on file with PC to verify the employee is properly classified, recording time, and is receiving overtime.
Miscellaneous										